CANADA - U.S. Relations

A Socialist Viewpoint

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LSA/LSO Statement

The following document was adopted by the 1968 convention of the League for Socialist Action/Ligue Socialiste Ouvrière. It deals with many of the questions now being discussed in the growing debate over U.S. control of the Canadian economy, culture and political life. Presenting as it does the revolutionary socialist position on U.S.-Canadian relations, we believe it is of particular relevance to the debate on "Canadian nationalism" within the New Democratic Party.

Relations between Canada and the United States have always been a dominant factor in Canadian politics. The British Conquest was largely motivated by the determination of the British Crown to build a military bastion on this side of the Atlantic from which it hoped to defeat the revolutionary New England states. Confederation was primarily carried through to overcome the immediate threat of the secession of the West to the United States or its conquest by the United States.

Today, along with the longstanding and now built-in deficit in trade relations, a decisive factor in Canada-U.S. relations has become the extent of U.S. capital investment in the Canadian economy. It is greater than the combined total of United States investment in all of Latin America and arrogates to itself political power appropriate to such a massive investment.

Coupled with this direct influence is the fact that U.S. capitalism, the last firm bulwark of world capitalism, has had thrust upon it and has seized the responsibility of sustaining capitalism as a system on an international scale - Canadian capitalism included.

Junior partner

The rising forces of the world socialist revolution, together with the declining position of all other capitalist powers and their weak position, both in absolute terms and relative to the U.S. colossus - their deteriorating position in world trade, their inability to sustain an effective military force in the era of super-costly intercontinental ballistic missiles and nuclear devices to promote and defend their own particular interests-has forced them to become, if not completely subservient, reluctant, but nonetheless compliant tools, or at best junior partners of Wall Street and its imperialist interests. This is true in the case of the biggest and most solvent capitalist powers including those where U.S. investment plays little direct role in their economy.

The dynamic of U.S. capitalism and the world situation has overcome the economically artificial division of the northern sector of the American continent by an east to west border, not by violating this border or by Canada's absorption into the U.S. as the 51st state, but through trade and investment. In fact, it serves the interests of U.S. capitalism to maintain the myth of Canadian "sovereignty and independence."

The Canadian capitalist class is a powerful, tightly integrated, highly conscious and cohesive force, firmly in control of the state apparatus which it has constructed and shaped to serve its interests. The position of the Canadian capitalist class in control of the Canadian state apparatus is not challenged by U.S. capitalist interests.

But while in control of the state, the Canadian capitalist class is by no means in control of the Canadian economy - in fact it is less in control than the rulers of any other advanced capitalist country in the world.

Who rules Canada?

The facts of the colossal weight of U.S. capital investment are unchallengeable. Its scope, its myriad points of contact and influence, no doubt exert a decisive influence on Canadian political life (as well as on its social and cultural life) and Canada's role in the world conflict between capitalism and the forces of the international socialist revolution.

Does U.S. capital dominate the Canadian economy through control of what might be described as its strategic or decisive sectors? This question has been posed in an attempt to settle the somewhat formalistic question - Does the Canadian capitalist class actually rule Canada or does the U.S. capitalist class in effect own and rule Canada?

The strategic position of U.S. capital investment in relationship to what might be called strictly Canadian capital and their relative roles in the determination of Canadian affairs is not only difficult to assess but as we will see is largely irrelevant. If at other times there were conflicting antagonistic interests which caused the Canadian capitalist class to pursue or attempt to pursue policies that took it into real conflict with the U.S. ruling class, this is no longer the situation. It is now apparent that the Canadian capitalist class has arrived at a mutually agreeable relationship with U.S. capital in their common exploitation of the work force of this country and its vast natural resources. The rationalization of the auto industry on a continental basis is taking place with particular and carefully worked out adjustments as to the overall impact on the Canadian-U.S. economy.

Special role

Far from seeking to conquer Canadian capitalism and to assimilate Canada into the United States, the American ruling class has sensitively developed a special role for Canada in their global imperialist strategy.

Washington has made special adjustments and concessions in order to keep the Canadian economy on an even keel. It has exempted U.S. investment in Canada from complying to special regulations that would have created difficulties for the Canadian economy. It has developed a working relationship which places the preservation of Canadian imperialist investments-many of which are undoubted fronts for U.S. imperialist interests-under the protective wing of the rapacious eagle. It has even worked out plans whereby it could hope to effectively quell revolutionary developments in Canada which might imperil U.S.-Canadian capitalist interests - Operation Camelot. (Footnote: Project Camelot was a Pentagon study of the revolutionary potential of certain Latin American countries, and included Quebec).

In return for these and other services, the Canadian bourgeoisie have defended all down the line the unpopular U.S. imperialist assault against the Vietnamese people, remained committed to the costly and completely militarily outmoded alliances of NATO and NORAD, and suffered the ignominy of U.S.-controlled corporations flagrantly violating Canadian law.

Thus in reality the relationship of the Canadian capitalist class vis-à-vis the U.S. capitalist class can best be described as that of partner - junior partner.

Radicalization

Ever-widening layers of the Canadian working class and petty bourgeoisie are developing an understanding and sympathy for the popular struggles developing across the globe - and they see Washington as the ruthless and bloody subverter of these struggles. An increasing number question the whole rationale of the cold war and its pacts and alliances such as NATO and NORAD-they are beginning to see the United States, and not the USSR and the workers states, as the aggressive military force that threatens mankind with a world war and possible nuclear destruction.

They see the U.S. as a violent society, a racist society, and a huckster society, reflected in the TV, radio programs, the books and the magazines that flood across the border. An increasing number are developing a concern about the flagrant violation of the law by U.S.-based corporations in this country which leads to loss of trade and, of course, jobs for Canadian workers.

These above tendencies have been designated in some circles as nationalist-Canadian nationalism. The term is a misnomer, causing confusion rather than giving insight into this phenomenon, its dynamics and direction. More correctly, it should be designated as an elemental anti-imperialist sentiment - developing towards an anti-capitalist consciousness. Because it is essentially anti-imperialist, it finds no basis of support in any sector of the Canadian capitalist class and its spokesmen, who defend U.S. imperialism not only out of a natural affinity but with a clear understanding that their fate is inextricably tied to that of the U.S. ruling class.

Nationalism in advanced capitalist countries such as Canada has traditionally been a tool of the ruling class. In 1939 the banner of national unity was raised in order to gear the nation, specifically the working class, to sacrifice their lives in an imperialist world war. It is now being raised to mobilize English-speaking Canada against the legitimate struggle of the Québécois for their national rights. This bourgeois nationalism stands in the way of a class differentiation in society - in particular, the development of class consciousness amongst the workers and, where the workers are already organized along class lines, is designed to fracture them.

Apologists for U.S. rulers

What in common with this, has the phenomenon which we can see developing across the country over the question of Canada-U.S. relations?

Far from promoting this "nationalism" the Canadian ruling class, their parties and their spokesmen, stand firmly united against it. The bourgeoisie show such unshakeable and impervious unity in their acquiesence before U.S. imperialism and its domination over Canadian internal and external affairs that they expose themselves more and more as apologists and lickspittles for the U.S. ruling class. Thus we have Prime Minister Trudeau publicly declaring that Canada can only have the relationship to the U.S. that Poland has as a satellite to the USSR, and his various ministers stating that Canada must sell military supplies for use by the U.S. in its genocidal aggression in Vietnam or suffer the gravest economic dislocation - unemployment, etc., etc.

This brand of "nationalism," far from uniting the nation behind the bourgeoisie, far from smearing over class lines, is tending to unite the overwhelming majority of all other classes and sub-classes against the bourgeoisie. It is discrediting the traditional parties of the bourgeoisie as not representing any interest that could be said to be Canadian, as being in essence agents of another power - a foreign power, U.S. imperialism-whose role is increasingly becoming more clear and more hated and more feared.

In fact the traditional parties are discrediting not only themselves but the very state institutions that have been erected to cover over the real power structure. They are saying that these institutions in reality have no power that can prevail over the economic power of the U.S. ruling class.

In admitting that they are party to Canada's internal and external policy being made in Washington and Wall Street, the bourgeois parties are even performing the salutary task of undermining the parliamentary illusions of the Canadian people. They are underscoring the need for the working class to take the power and to lay down new economic foundations from which new social relations will form.

Demagogy

The bourgeoisie, of course, have not ignored this sentiment. Tory leader Diefenbaker gave it a high priority in his 1963 campaign. Although he never moved off the plain of nationalist demagogy in his high-powered bid to retain office, this lost him the confidence of every important sector of the bourgeoisie. The Liberals assigned Walter Gordon the task of encompassing this anti-imperialism, to which they gave a nationalist interpretation, within the Liberal Party, and even struck off a commission under Melville Watkins to investigate foreign investment. Both Gordon and the Watkins report have been pigeon-holed.

It was this "betrayal of Canadian independence" that prompted the editors of Canadian Dimension, an important journal of liberal petty bourgeois opinion with considerable influence in NDP intellectual circles, to issue an appeal in 1967. It urged that the "long-term" socialist solution be put on ice in order to realize the primary task of establishing Canadian independence through a new political formation that would be "politically non-partisan and would cut across racial, regional and class lines."

The response to Canadian Dimension's strictly nationalist appeal - reportedly, only four elderly Tories on the Prairies wrote in - is extremely revealing. Canadian Dimension's appeal broke up on the reality that the sentiments to which it attempted to appeal were not nationalist but essentially anti-imperialist and therefore class sentiments in terms of Canadian political life. Nor did the Communist Party get anywhere with its crudely anti-American supra-class appeal for the construction of an anti-monopoly peoples' coalition that would encompass in its ranks those elements of the bourgeoisie who would put the interests of the nation before profits. The same goes for the Progressive Workers Movement (Maoist). It's more radical-sounding appeal proved unable to raise the process even a millimeter higher onto the first stage of its projected national liberation struggle that would encompass sections of the bourgeoisie.

Radical sentiment

This anti-imperialist sentiment is an important fact of Canadian political and social life. To accept or pin the label nationalist on it is not only to designate it incorrectly. It leads to a dismissal, if not an opposition to it. On the contrary, we must recognize the essentially radical character of this anti-imperialist sentiment and develop it.

As U.S. imperialism is driven to ever more desperate, more openly vicious lengths in its role as defender of capitalism everywhere, opposition will continue to mount. In country after country this

will sharpen working class opposition to the capitalist class who identify their fate with the fate of U.S. imperialism. The working class movements will increasingly bring to the fore demands for an independent policy of opposition to U.S. imperialism. The demand for an independent foreign policy for Canada-one of solidarity with the colonial peoples' freedom struggle and trade and aid with Cuba, China and the other workers states-will become more popular.

To recognize this anti-U.S. imperialism and develop it is to concede nothing at all to any form of anti-American chauvinism. On the contrary the most effective anti-imperialist activists here have found tremendous forces right inside the U.S. with which to identify and link up their struggle. The Canadian anti-war movement -has developed its most successful actions in solidarity with the much more massive anti-Vietnam war actions in the U.S. In the process it has deepened the understanding of the Canadian workers as to the character of their own bourgeoisie through its effective campaigns against the Canadian government's complicity with the U.S. in the Vietnam war.

Socialist position

It would be a tragic error to get hung up on broad abstract formulas and thus fail to make a correct assessment of the actual situation The revolutionary socialists have successfully evaded this sectarian danger. We did not oppose the moves towards setting up Canadian unions separate, independent and apart from the so-called international unions on some abstract principle that we are internationalist and revolutionary and this was nationalist and hence reactionary. We considered that the support this had among militants was largely a reaction against the undemocratic manipulations of the trade union bureaucracy. We expressed our sympathy with this, and to those who would listen we cautioned that bureaucracy was endemic to reformist unions in our epoch and cannot be escaped merely by setting up an autonomous Canadian union (see *Power and Dilemma of the Trade Unions* in Workers' Vanguard, April, May and July 1967). We also attempted to make an overall evaluation of the situation and concluded that there was really no significant trend in this direction, that these forces were not viable and were generally composed of conservative elements.

Nor are we indifferent to the increasing economic penetration of US. capital into Canada, its increasing control of the economy and what goes with that - its determination of Canada's role in world affairs. All the less can we be indifferent in that the Canadian working class is organized in a mass reformist party and we, aspiring to establish ourselves as its vanguard, are seriously projecting the possibility of an NDP government. The concept that U.S. penetration besides being an inevitable process, is a progressive phenomenon on the way to shaping up an integrated North American economy that would provide the foundation for a Socialist United States of America, is a hangover from pre-Leninist concepts of imperialism. Such "long-sightedness" would bring us down in the quick-sands immediately in front of us.

The Canadian economy is not only being grossly distorted, serving as a low wage sector of the U.S. economy, but it is an integral part of the latter's imperialist war machine directed at the rest of mankind which it threatens with total destruction.

Public ownership

We have advocated the public ownership of the basic means of production so that the economy can be planned and production geared to use. This is our general propaganda line - we have not worked out any list of priorities and in fact have presented this viewpoint in general around issues of the day. In response to the curtailments of railway services and attendant layoffs we have called for the public ownership of the CPR and its fusion with the CNR. It was a matter of indifference whether the CPR was or is now basically U.S.-owned. With the closure of the Dosco coal mines we urged their nationalization along with the Sydney steel mills, and their operation in an integrated Maritimes development plan.

The issue of economic domination is already being debated, and answers are being projected. There is the proposal to "open up to Canadian stockholders, buy into American corporations," the "buy Canada back" proposition; and the proposal to establish a supplementary public sector in order to develop a more specialized competitive economy. Since U.S. branch plants include many of the key industries, there can be no serious talk of public ownership and planning without nationalization of U.S. capital interests. Without making public ownership of U.S. interests a general demand, as U.S. interests violate Canadian law by refusing to accept orders from Cuba and China, etc., the question of their nationalization increasingly comes to the fore. This is not the separating out of "bad" capitalists from "good" capitalists for "punishment" by nationalization, but popularizing the whole concept from necessity. The specific action is posed in defensive terms, which is always a good stance for the revolutionary deed.

A clear understanding of the progressive implications of this rising anti-imperialist sentiment is necessary so that we can meet the new challenges that it will pose before us - particularly in so far as, thanks to our orientation to the New Democratic Party, we are today not restricted to academic educational work but are formulating policy for forces in a movement that is speaking to the masses.
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